THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604

DATE: 'AUG 1 5 2013'

SUBJECT: Clean Air Act Inspection of Red Spot Paint and Varnish Company, Inc., Evansville, Indiana

FROM: Roshni Brahmbhatt, Environmental Engineer RB
Air Enforcement and Compliance Assurance Section (MI/WI)

THRU: Sarah Marshall, Chief SM
Air Enforcement and Compliance Assurance Section (MI/WI)

TO: File

Dates of Inspection Tuesday, June 4, 2013

Attendees
Roshni Brahmbhatt, U.S. EPA, *Environmental Engineer*
Alexandra Letuchy, U.S. EPA, *Environmental Engineer*
Tammy Haug, Indiana Department of Environmental Management (IDEM), *Air Compliance*
Kevin Conkright, Red Spot Paint and Varnish Company, Inc., *Environmental Manager*

Company Description and Background

Mailing Address:	1016 East Columbia Street Evansville, Indiana 47711
Phone Number:	(812) 428-9206
Email Address:	kdconkright@redspot.com
Primary Contact:	Kevin D. Conkright, Environmental Manager
Background:	Red Spot Paint and Varnish Company, Inc. is a stationary source relating to the mixing and blending operation of paint, varnishes, thinners, and lacquers.

Purpose of Inspection

To determine compliance with rules and regulations promulgated under the Clean Air Act (CAA).

Entrance and Opening Conference

The EPA inspectors (Roshni Brahmbhatt and Alexandra Letuchy of EPA) arrived at Red Spot Paint and Varnish Company, Inc. ("the facility" or "Red Spot") located in Evansville, Indiana at approximately 9:15 a.m. on Tuesday, June 4, 2013. We were joined by Tammy Haug from IDEM. We met with the facility's Environmental Manager Kevin Conkright and presented their credentials to him.

We explained that we were there to perform an inspection under the CAA and that we they would like an overview of the facility's processes, including information about air pollution controls, and a tour of the facility. We also explained that if any of the information provided during our the discussions or during the tour were considered Confidential Business Information (CBI), the facility should let us know so that they can mark it as such and handle it according to federal law and EPA policy. During the inspection, no items were identified as CBI.

Red Spot currently operates under a Part 70 Operating Permit Number T163-30242-00018 issued by IDEM on July 21, 2011. Red Spot operates affected sources subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP), 40 C.F.R. Part 63, Subpart ZZZZ, for Stationary Reciprocating Internal Combustion Engines.

Facility Overview

The company began operations approximately 100 years ago and primarily produces household paints. In the 1960s, the facility began producing paints to coat plastics, and now they only create plastic coatings. Red Spot's products include paints for interior and exterior of cars, coatings for clear glass, and powder vacuum distillation coatings. Mr. Conkright mentioned Red Spot currently has 80% of the clearcoat market. The facility typically produces approximately 600 batches per month and each batch on average is approximately 200 gallons. The company or the facility employs approximately 278 people and operates in three shifts, with the third shift primarily for maintenance.

The main emission units are the solvent tank farms, paint production operations, dry material handling operations, and the multi-phase extraction remediation units.

The following description of the processes at the facility was given to us by Mr. Conkright.

Raw Materials
Liquid raw materials include solvents and resins which are stored in one of the five

solvent tank farms. The tanks exhaust to the atmosphere and are equipped with fixed roof dome tanks. The tank farms are all monitored through electronic sensors.

Dry raw materials include powders and metallics. They are added to the solvents to add the desired properties. The industry has moved towards pastes. Emissions from the metals room are controlled by a dust collector.

Mr. Conkright mentioned there is an approval process for using any new chemicals at the facility.

Mixing Operations

A production technician will follow a specified formulation and mix the solvents and chemicals. The facility can use either an automatic dispensing system (ADS) or a manual process to do the mixing. There are two specific mixing machines, one for water-borne chemicals and another for solvent-borne chemicals. During the mixing process, lids are closed on the buckets. Also, for the larger sized tanks, the materials are transferred using pneumatic pumping. Mixing operations will last from a few minutes to days depending on the desired properties

Product Finishing

There are cutting and milling operations to grind pigment particles to a small enough size, followed by a quality control check. In the quality control check, paints are adjusted to their final viscosity, color, pH and shading according to the customer's specific requests. Once the paint passes a quality control check, it is packaged in 5 gallons pails, 55 gallon drums, or lager totes.

The facility has paint spray booths to paint small panels. The spray booths are located in the Research & Development (R&D) building.

Site Remediation

In the past, a catalytic oxidizer was used with the current multi-phase extraction (MPE) remediation unit. The MPE is connected to the underground storage wells, separates water and vapor, treats the vapor, extracts it, and send it through a stack to the atmosphere. It operated for approximately 6-10 years. Approximately three years ago, a stack test was conducted. Red Spot did not meet the destruction efficiency requirement and failed the stack test. The facility managed to decrease the concentration of VOC. They removed the catalytic oxidizer and monitored the emissions. The emissions were added to the total VOC emissions for the facility. Mr. Conkright mentioned that the MPE unit has been off more than on in the last two years.

Red Spot is planning to add another MPE unit across the street and to upgrade the current MPE unit. The potential to emit from the new unit is approximately 8 tons of VOC.

The facility has a three natural gas fired emergency generators. They are run for approximately 15 minutes a month to do maintenance. Red Spot has not had to run the facility off the generators yet. The facility has an hour usage meter.

Facility Tour

Following the opening conference, we requested a tour of the facility. Starting at approximately 10:50 am, Mr. Conkright, Ms. Haug and the facility's Safety Manager walked the EPA inspectors through the facility highlighting major process units in the production process.

During the tour of the Facility, we visited the R&D building, which has 2 of the 6 total boilers and 2 generators. The R&D building has laboratories set up for interior coatings, exterior coatings, and ultraviolet coatings. Red Spot uses acetone baths to wash parts. Most of the buckets used for mixing were covered with at least tin foil. We saw the water curtain associated with the ultraviolet coatings.

A hazardous waste storage area is outside and enclosed. We saw the solvent tank farms and the receiving dock outside as well.

We then proceeded to the main production area. We saw mixing stations for each batch and 5 fill stations. The buckets are filled from the top with a motor on the top for mixing. The mixing solution is gravity fed. We noticed the lid sitting off of one with no ring on it.

We saw the dust collector in the metals room. Mr. Conkright mentioned no testing or monitoring has been done, but an annual inspection will occur.

We completed the inspection at around 12:05 p.m.

Closing Conference

Following the tour, Mr. Conkright, Ms. Haug, and the EPA inspectors proceeded back to the office. We were provided with a copy of the Production Output Analysis for 2012 and 2013 for review. We informed the Mr. Conkright of the process of obtaining a completed inspection report and thanked him for his time. We informed Mr. Conkright that a Section 114 Information Request may follow in order to obtain additional information about the facility. We left the facility at around 12:15 p.m.